



# The Role of Government and Central Banks in the Financial Education Process

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## What are the main issues?

**Who are the key players in financial education?**

**What is their responsibility?**

**Are all problem areas covered?**

**How should the key players interact?**



## **FE as a cross-sectoral issue**

**FE is a cross-sectoral issue – who is responsible when FE is...**

- **a segment of a broader policy**
- **a consumer protection component**
- **a complement to fin. market regulation (information provision)**
- **supporting financial market stability**
- **a part of school curricula**
- **requiring support for teachers**
- **requiring financial resources for NGOs**

**... but too many cooks spoil the broth**



## Initial situation in the Czech Republic

- FE formally recognized as a consumer protection component (2006)
- existing demand for FE among the public (2007 opinion poll)
- overlap of responsibilities (fin. market, consumer and education issues)
- several private FE projects already in force
  - no co-ordination → different content, terminology
  - too small to cover all target groups
  - grey areas / overlapping
- not enough enthusiasm on the public sector side (2006)

**Challenges:** definition of responsibilities  
co-ordination on both public and private level  
motivation → awareness among the public sector

**Solution:** National strategy for financial education  
(answering basic questions – who, what and how)



## Division of responsibilities

### Ministry of Finance

- fin. market regulator – interaction between regulation and literacy
- responsible for consumer protection in the fin. market – FE in line with other tools
- expertise in fin. market matters – expert support (esp. to MoE)
- coordination on national level, communication to the Government

### Czech National Bank

- financial market stability – improved by FE
- consumer protection in the fin. market supervision – FE as reaction
- expertise in fin. market matters – expert support, seminars
- respected, trustworthy (77% among the public) and independent institution – reputation for FE

### Ministry of Education

- responsible for the educational system

### Other ministries and the Government



## Coordination framework

- defined in the National Strategy for Financial Education (approved = binding and respected)
- ongoing basis
- 2 levels responsible authorities (MoF, MoE, CB)  
other relevant stakeholders

### *Steering committee*

*coordinator*

Ministry of Finance

Ministry of  
Education

Czech National  
Bank

other public authorities

industry

consumers

experts

*WG FE*



## Czech experience – challenges

### Objectivity

- FE vs. marketing - boarder line
  - public authorities' reputation
  - legally defined independency and neutrality – central bank never promotes particular commercial product
- solution: principle of objectivity set in the National Strategy

### Limited operational range of public administration and the Central bank

- adults as a large target group
  - PA – limited resources (in times of increased public finance deficits)
  - CB – cannot substitute the role of NGOs in helping individuals (overindebtedness)
- solution: include NGOs and private sector in FE activities  
introduce co-financing facilities for NGOs

### FL measurement

- objectivity and sustainability required
- solution: carried out by MoF, MoE, CB



## Lessons learned

### Responsibilities

- should be described in the National Strategy
- concrete activities in Action plan (responsibility and deadline)
- prevent overlapping, cover grey areas

### Coordination

- one coordinator on national level
- 2 levels – public administration and all stakeholders

### Objectivity

- both FE programmes and measurement
- should be required by the National Strategy

### Limited financial resources

- a never ending story



# Thank you for your attention

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